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SUBJECT: MEDIA REACTION; IRAN TIES TO LATIN AMERICA; IMF LEADERSHIP;
07/24/07

11. SUMMARY STATEMENT

Leading international stories include Israel's concern over Iran's growing ties to Latin America; and U.S.-Argentina concurrence on the appointment of the next head of the IMF.

12. OPINION PIECES AND EDITORIALS

- "Israel is concerned over Iran's growing ties to Latin America"

Shlomo Slutzky, Tel Aviv-based correspondent for leading "Clarín," writes (07/24) "The Israeli Foreign Ministry expressed its concern over what it considers a campaign of Iranian 'colonization' in Latin America, which is evident in Iran's ties to President Hugo Chavez and in the 'astronomic' number of Persian diplomats visiting Latin American embassies.

"Sources from the Israeli Foreign Ministry expressed to 'Clarín' their concern over the possibility that some Iranian diplomats in Latin America are devoted to some tasks other than diplomacy, such as forming terrorist groups that are ready to act following Tehran's orders.

"The Foreign Ministry source pointed out that the Argentine example, in which... Iranian diplomats are reported to have taken part in the attacks against the Israeli Embassy and the AMIA in 1992 and 1994, is a clear reason to fear an Iranian 'conquest' of Latin America...

"... The Government is reported to be concerned over the 'strategic alliance' between Iranian President Mahmoud Ahmadinejad and his Venezuelan counterpart, Hugo Chavez...

"The Foreign Ministry denounced that, according to international reports, Venezuela is attempting to sell uranium to Iran in order to cooperate in developing its nuclear activity and that Caracas is reported to have counterfeited documents of equipment exports heading for Tehran.

"In view of this panorama, Israeli representatives in Latin American capital cities pointed out that Iran jeopardizes world peace through terrorism and its nuclear program.

"In bilateral conversations, several Latin American governments shared their concern with Israel. On the contrary, according to those reports, other countries reacted with lack of interest due to their commercial ties to Iran and their economic need for keeping those ties."

- "Long-standing and new denunciations with an attentive look at South America"

Oscar Raul Cardoso, international analyst of leading "Clarín,"

opines (07/24) "It is understandable that for Israel the cooperation between Venezuelan Hugo Chavez and Iranian Mahmoud Ahmadinejad is something like a love affair with hell. However, what is unusual is the fact that its Foreign Ministry uses the media to express its 'concern' about some political developments in South America.

"... While the gist of the Israeli complaint is not new..., some new elements imply that Israel is convinced that there is a new front gaining ground in South America, which is against its interests...

"... The idea that Venezuela and Iran are acting as a source of hard currency for other countries of the region (including their joint military cooperation for Bolivia) is another point on which those sources insisted.

"In the same way, one cannot consider their reference to the Tri-Border something new...

"... Let's consider new reasons for malaise - Israel perceives some sort of Iranian diplomatic leakage on countries like Nicaragua, Ecuador and Chile, with which Tehran has increased its commercial ties and again with Venezuela, Mexico, Uruguay and Colombia...

"... Barak Ravid (the author of the report) hinted that the Latin American governments which Israel has contacted with this denunciation do not seem to have much interest, which leads Israeli analysts to think that if the dispute over the Iranian nuclear program escalated and paved the way for more sanctions, South American countries would not have much of an incentive to cooperate with the punitive measures. In fact, Tehran is transferring its international deposits to Venezuelan banks to protect them from future seizures.

"Nonetheless, there is an additional element that does not seem to be included in the ministerial analysis - Israel's deteriorated

image in South America following last year's brief although destructive war waged against Lebanon."

- "Argentina supports the US in IMF tussle"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (07/24) "The dispute over who will succeed the current IMF managing director, Rodrigo Rato, is 'on fire.' Europe is strongly pressuring in favor of Frenchman Dominique Strauss Khan. However, developing countries, led by Argentina, recalled that, as relevant to the ongoing IMF reform, the future managing director does not automatically have to be a European as has been the case so far, but he should rather be appointed based on merit. In this regard, Argentina backs the US position.

"In a communiqu signed by the Argentine Central Bank head, Martín Redrado, the so-called G-24 emphasized that it is necessary to implement 'an open, transparent and multilateral selection system, now that the IMF is facing crucial challenges regarding its relevance and feasibility,' and that the IMF's legitimacy is at stake."

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